

Student satisfaction in the age of consumer driven higher education¹.

by

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INTRODUCTION

The global Higher Education sector (HE) is undergoing a metamorphosis. No longer is HE the sole preserve of the privileged few but rather it is now accessible for the masses. The result of such an expansionist philosophy is here and today's undergraduate students can expect to study at a university that is unrecognisable to higher education establishments of a few decades ago. This is not a one-sided affair and academic staff i.e., the professoriate who encounter the results of such expansionism on a daily basis are also faced with a vastly complex working environment (see e.g., Knight & Senior, 2017). Phrases such as internationalisation, employability, work-based learning as well as the almost ephemeral notion of student satisfaction, among many other things, regular assail the collective consciousness of academic staff around the world. Yet despite such complexity a new model is emerging and this is one firmly embedded within consumer psychology and it firmly places the student as a customer. Here we highlight some negative issues that may arise when HE embraces consumerism. We also discuss a potential solution that may not only ameliorate these issues but actually facilitate excellence in the student learning journeys. Higher education can meet this vast array of modern day concepts face-to-face and still ensure that it serves its core mission and that is to provide students with a higher understanding of various conceptual issues.

There is no doubt that the role of the university in today's society is up for grabs. Higher education is indeed, and will always be, a good thing – certainly the often cited "graduate premium" is a ubiquitous force for good in our society with real benefits and the graduating student enjoys a wider range of societal benefits that subsequently drive economic growth (King & Ritchie, 2013). A successfully graduating student can expect average graduate earnings that exceed those of non-graduates over the course of their lifetime (see e.g., Pericles-Rospigliosi, Greener, Bourner, & Sheehan, 2014;

Walker & Zhu, 2013; Sim, 2015). The graduate premium also manifests itself as a faster professional trajectory leading to a greater lifetime earning potential and ultimately an overall better quality of life (Holmes & Mayhew, 2016). Such a premium drives engagement with HE and this leads to a range of wider benefits for society (Mason, Williams & Cranmer, 2009). Indeed, HE is often regarded as being a significant driver of a nation's development (Bloom, Canning & Chan, 2006). Graduates are also less likely to engage in criminal activity (Sabates, 2008) as well as more likely to engage in civic behaviours and vote (Dee, 2004). In light of these various benefits, it is perhaps unsurprising that the global HE sector remains vibrant, with more and more people applying to study at HE than ever before (Altbach, Reisberg & Rumbley, 2009).

The emergence of a diverse portfolio within contemporary academia ensures that HE now faces a fundamental problem. How can the ready expansion of the portfolio and the rise of the massified sector maintain its core *raison de etre* which, according to the great educationalist John Henry Newman was to enable students to “... *see things as they are, to go right to the point, to disentangle a skein of thought to detect what is sophisticated and to discard what is irrelevant.*” (Newman & Svaglic, 1982, p. 6). It is perhaps unnerving that despite the emerging complexity of HE there is a new narrative forming and it is one that clearly demarcates the role of the university and the student - here the student is a consumer of an educational product and not just a learner (e.g., Bunce et al, 2017). In the UK this consumer-based approach owes its birth to the publication of a series of influential government sponsored papers on the future of UKHE sector that were published in 1999. These papers were collectively called ‘*The Reports of the National Committee of Inquiry into Higher Education*’ but colloquially known as the ‘Dearing Report’ after the lead author, Lord Ronald Dearing and it clearly initiated the movement that saw effective pedagogy move away from the traditional didactic arena and towards a more market structured environment. Yet how far does

a university have to go to embrace this consumer-centric narrative and still retain its identity as an institute for higher learning?

If one fully embraces the consumerist identity within academia there is a vast and respected body of evidence from the field of sales psychology that can inform subsequent practice. This literature shows us that a positive service encounter can indeed lead to a vast array of advantageous aspects such as customer loyalty, repeat patronage intentions and even positive word-of-mouth (e.g., Pugh, 2001; Caruana, 2002; Guenzi, & Pelloni, 2004; Sierra & McQuitty, 2005) clearly these outcomes would be of great benefit to most, if not all, educational institutes. However, the very same body of literature also describes the need for customers to identify themselves within an authentic relationship with any given service provider (Tzokas, Saren & Kyziridas, 2001). In light of the fact that the relationship between a student (customer) and University (service provider) is one that is sensitive to a variety of different outcomes – very much largely outside the control of the university administrators, such as postgraduate employability success and even (quite controversially) assessment success², it is safe to say that there are a myriad of factors that may impact the vital service provider relationship between students and HEI's. In light of this it may not be effective (or even common sense) to adopt a full consumer model yet.

But consumer expectations *are* indeed central to a positive service encounter so an ambiguous attitude towards the relationship that the student and their University enjoys is likely to lead to anything but a positive experience (Goldney, 2008; Pinar, Trapp, Girard, & Boyt, 2011). Here the university brand remains a vital component of its efficacy in the market place (Parameswaran & Glowacka, 1995). Surely, now, is the time for institutional managers to take a stand and declare the role that their students

² A good university will provide excellence in teaching to inspire effective learning that is assessed independently.

take in their learning and what position this plays in the larger organisational culture. To rephrase this within the narrative on consumer psychology one could ask how does the student body actually inform the university brand such that the organisation can develop an authentic relationship with its core customer base ?

Yet there are ways that the insidious onslaught of a consumerist ideology may be playing a role in weakening the ability of a University to ensure that it delivers its key outcome and in turn mitigating the graduate premium. The ready embrace of consumerist ideology across the global HE sector will most likely see a rise of an open market structure that is highly sensitive to market forces (e.g., Porter, 2008). Economic theory (e.g., Fama 1970) defines such a market place as one consisting of a large number of rational profit maximisers (e.g., universities) that try to predict future market values and where important information is freely available to all participants (e.g., the now central position of published student satisfaction metrics). One could quite easily argue that contemporary HE is now firmly embedded within such a market environment. Indeed, given the almost pathological obsession that some institutional managers have in spending money on a variety of student facing initiatives one can also be forgiven for thinking that we have embraced a form of conspicuous consumption that institutes are using to try and better their position in the global HE marketplace (Hamilton & Tilman, 1983; O'Cass & McEwan, 2004).

With such investment institutional managers still need to heed the advice of the economists that understand the nature of open and efficient marketplaces as it is they who are aware of any problems that can arise. One significant issue is the so called agency problem (Fama, 1980). The agency problem or the Principal-Agent problem is a conflict of interest that occurs when you expect another party to act in your best interests where in fact they act in their own interests. A basic example of the agency problem, that is often used by MBA students across the globe, is that of the plumber

who you hire to fix a leaking tap. You, as the principal expect the plumber, as your agent, to complete the agreed task with your best interests in mind however it is in the agent's interest to maximise income. In light of the significant size and complexity of some organisations the effects of the agency problem are not trivial and can impact the lives of many people (Arnold & De Lange, 2004; Kulik, 2005).

But to what extent does the student inhabit the role of the principal in today's consumer driven HE sector ? More importantly, are there any viable organisational mechanisms that may facilitate the role of the student in such a relationship? The humble student still sits in a very privileged role within a contemporary higher educational establishment but is the student position, which is often supported by the supremacy of student satisfaction scores on various metrics, enough to ensure that the university always acts in the interests of the student? Central to this argument is the common-sense statement that student satisfaction is in fact a concrete entity that can be effectively measured but as has been previously noted it is a fairly undefinable concept in its own right (Senior, Moores & Burgess, 2017)³. Unfortunately, the emerging importance of a customer focused approach to HE and the associated metrics that ensure a competitive edge in such a market place are starting to drive the emergence of a new type of university and one that is vastly complex in its design – an HEI that demonstrates excellence in both endeavours of learning and teaching as well as research i.e., the so called dual intensive universities.

³ Our recent analysis revealed that the greatest predictor of satisfaction in the UKHE sector over the last ten years (approx. 2.3 Million students) was excellent teaching (Burgess, Senior & Moores, 2018). Indeed, it further seems that ensuring resources are identified to ensure the delivery of a well-managed academic programme would be a worthy endeavour for institutional managers as it is this sole factor that would likely predict a rise in satisfaction!

THE DUAL INTENSIVE UNIVERSITY AS THE DOMINANT DESIGN

This term, recently conceptualised by Foster (2018), describes the emergence of an HEI with a mission statement that clearly results in excellence in both teaching and research activities. In light of the insidious rise in consumerism that is pervasive in contemporary academia an approach that facilitates excellence in both fields of academic practice will define a new dominant design in the emerging marketplace. Such a model is so termed as it readily becomes the de facto standard in any market environment (Suarez & Utterback, 1995).

The rise of these HEIs owe their success to fundamental shifts in the underlying philosophy of the central organisational practice which in turn results in a radical improvement in efficiency. Excellence here is driven in part by ruthless implementation of a staffing strategy that maintains an excellent staff-to-student ratio (< 20:1). Implications of this particular staffing strategy are not trivial and some institutes have sought to create a bipartite culture of both teaching and research excellence with experts in either field carrying out their day-to-day activities that are aligned to the specific expertise with minimal cross over. Yet few HEIs can provide solid evidence that their research stars are also the stars in the lecture theatre. To achieve such a state of academic symbiosis would require a commitment from those research stars to “muck in” and deliver undergraduate lectures as well as handle the administrative load that is associated with the delivery of such lectures.

Yet the management of an effective staff: student ratio is not the only organisational practice that the dual intensive HEIs have perfected. Central to all research practice is the fact that it has to be funded. Research funders rarely pay for the full economic costs of research to be carried out (Olive, 2017). Hence a process of cross subsidising research has evolved which sees the learning and teaching portfolio effectively paying

for the continued development of all forms of research. It is true to say that the growth of research excellence can be predicted by the expansion of the teaching portfolio.

Here some institutes have developed strategies to facilitate such a cross subsidy by driving excellent relationships between staff and students. By involving various student societies, institutional managers have encouraged the undergraduate student to become a true partner in their learning. The strategy here is to define a clear strategy that places the student at the heart of all University activities and also, perhaps more importantly empower them to make decisions in this regard. This would certainly see a productive consumer position start to develop yet students expect to receive good value for their money no matter how much research they support (Senior et al, 2018).

To be successful a university must now do more than merely champion the hiring of more research-intensive staff or develop accounting strategies that support the development of the all-important research impact. This is a complex operation and to ensure that it is successfully carried out will require a real need to develop a more enduring strategy that will see the development, and maintenance of the ever-important research impact, as well as the emergence of the dual intensive university.

We argue that another strategy could be adopted that develops Fosters (2018) early recommendations, places students at the very heart of all university activity, drives excellence in both research and teaching and, perhaps more importantly may mitigate the effects of the agency problem which will invariably arise as the global HE sector embraces consumerism – put research at the very heart of *all* activities.

We are not advocating a soft touch here, far from it, we are (very much) advocating a ruthless re-positioning of the central mission statement that places research front and centre of the student's perspective from the first minutes of the open day visit to the

last comments of the graduation day speech. Ensure that the latest discoveries are communicated to potential students when they apply to join a programme of study. Develop opportunities that will allow students to work side-by-side with academic staff members on a research project from the very first moment they arrive on campus. Ensure that the culture within the undergraduate programme is focused towards active research engagement e.g., there is no reason why a personal tutor is called this and the role would be better served by calling these individuals 'personal supervisors' as this is more aligned to what they actually do and can effortlessly ensure that students are moved towards an environment of research discovery.

Such a strategy will have an additional benefit that will see the students working more closely with various members of staff from an early stage of their academic journey and this will in turn see them become more and more affiliated to their department (Towl & Senior, 2010). Such a departmental affiliation in turn sees an increase in professional affiliation which should ultimately align the undergraduate student's expectations more towards the post graduate realisations (Senior & Howard, 2014). Thus, engaging within a research culture means that students start to develop a more effective and authentic relationship with their university which should in turn see the development of a positive service encounter (see above).

There is obviously more to gain by engaging within a research culture than merely developing a clearer professional identity (e.g., Fung, 2017). By immersing themselves within such a culture a student would indeed invariably encounter those 'hard' skills that are a prerequisite for effective research output such as record keeping, data analysis etc. But they would also encounter the opportunity to develop expertise in a set of important soft skills as well such as time keeping and team work (Tissington & Senior, 2018). Perhaps the most important of these 'soft-skills' will be the ready exposure to failure which, paradoxically, is an inherent aspect of successful research

activity (Tough, 2011; Gerber, 2011; Loscalzo, 2014). It is this skillset that will ensure that the student of today who is immersed in a vastly complex consumer driven HE environment becomes a civic-minded success tomorrow.

CONCLUSION

Here we have argued that while the rise of consumerist HE is inevitable institutional managers must be weary of issues that it may cause such as the so-called agency problem. This is not a trivial issue and its can be very significant indeed. However, by framing the organisational setting within a very clear research focused environment it may be possible to ameliorate the impact of the agency problem as well as ensure that the students develop effective professional skills that will enable them to succeed after graduation.

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